

### REMARKS/ARGUMENTS

Claims 1-22 in the case are pending, and stand rejected under 35 U.S.C. §103(a) as being unpatentable over Deaton ('302). Claims 1-11 and 21-22 are cancelled herein.

Base Claim 12 is amended herein to recite a method for retaining fee-based memberships at a health club providing health club services to its members. The method includes the following acts:

- (a) categorizing the club members into one of a plurality of member segments based on their level of attendance at the health club, *the member segments comprising non-user members, low user members, regular user members, and new members*;
- (b) for non-user members, *asking the non-user member in an electronic message to identify obstacles preventing more frequent usage of the health club*;
- (c) for low user members, *providing the low user member an exercise motivation tip in an electronic message*;
- (d) for regular user members, *providing the regular user member a wellness tip in an electronic message*; and
- (e) for new members, *offering the new member a health club orientation in an electronic message*.

As stated previously, the prior patent to Deaton relates to the *retail grocery industry, and does not address the issue of membership retention in a fee-based service industry*. Deaton does not teach or suggest categorizing store patrons in each of the four member segments recited in the amended claims —i.e., non-user members, low user members, regular user members, and new members. Finally, Deaton does not teach or suggest the acts indicated above at (b)-(e) specific to each of these different member segments.

I. Statement of Examiner's Rejection

In rejecting the previously presented claims, the examiner makes the following observations/arguments:

(a) the different and specific content communicated to the member segments is not functionally involved in the method steps, and therefore will not distinguish the claimed invention from the prior art in terms of patentability; See Office Action at p. 3; and

(b) the acts of communicating a customized wellness tip to regular user members, communicating an exercise motivation tip to low user members, communicating a request to non-user members to identify obstacles preventing more frequent usage of the health club, and communicating an offer to provide an orientation to new members are commonly being practiced in the health club industry; See Office Action at pp. 13-14.

With regard to the examiner's first observation/argument, Applicant respectfully submits that the different and specific content communicated to each user segment is functionally involved in the method steps. Specifically, each different and specific communication is intended to impact the individual member in a manner unique to his or her user status at the health club. In other words, the request to *identify obstacles* and the *exercise motivation tip* communicated to the non-user and low user members, respectively, are intended to encourage an *increased* level of attendance. For the regular user members, the *wellness tip* is intended as a showing of club interest in this member segment and to encourage the regular user members to *maintain* their level of attendance. **Indeed, asking regular user members to *identify obstacles* preventing more frequent usage of the health club (and/or offering a health club orientation) would likely have a *negative affect* on this member segment, just as offering a *wellness tip* to a non-**

**user member is unlikely to provide a comparable level of interest or motivation as a request to *identify obstacles* preventing more frequent usage of the club.** In this regard, the different and specific content communicated to the various member segments is most definitely functionally related to the claimed method—that of retaining fee-based memberships at a health club.

With regard to the examiner's second observation/argument, Applicant is unaware of the alleged "common practice" in the health club industry to communicate a customized wellness tip to regular user members, communicate an exercise motivation tip to low user members, communicate a request to non-user members to identify obstacles preventing more frequent usage of the health club, and communicate an offer to provide an orientation to new members. **On the contrary, prior to this invention, Applicant had no knowledge of such strategic and targeted communications to distinct member segments in the health club industry.**

**II. Improper Use of "Official Notice" — The Examiner Has Failed to Support His Factual Findings with Adequate Evidence.**

In Applicant's prior response, the following request was made of the examiner in response to his use of "official notice":

**"The examiner is kindly requested to cite *specific prior art* which discloses marketing literature or other communications to *existing health club members* which is customized and targeted to *distinct member segments* based on the members' attendance level, and which operates to promote *membership retention*. Applicant respectfully submits that no such prior art exists."**

[Emphasis provided in original request].

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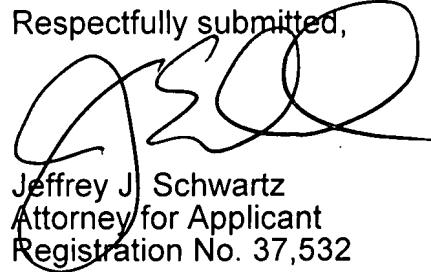
In this present response, Applicant re-states its previous request and respectfully directs the examiner to M.P.E.P. §2144.03(C). According to the M.P.E.P., if applicant adequately traverses the examiner's assertion of official notice, the examiner must provide documentary evidence in the next Office Action if the rejection is to be maintained. See 37 CFR 1.104(c)(2). See also Zurko, 258 F.3d at 1386, 59 USPQ2d at 1697 ("[T]he Board [or examiner] must point to some concrete evidence in the record in support of these findings" to satisfy the substantial evidence test). If the examiner is relying on personal knowledge to support the finding of what is known in the art, the examiner must provide an affidavit or declaration setting forth specific factual statements and explanation to support the finding. See 37 CFR 1.104(d)(2).

As previously stated in the record, Applicant has many years of experience in the health club industry and is unaware of a prior existing method for retaining memberships which includes the acts of communicating a customized wellness tip to regular user members, communicating an exercise motivation tip to low user members, communicating a request to non-user members to identify obstacles preventing more frequent usage of the health club, and communicating an offer to provide an orientation to new members. These acts are not disclosed, taught or suggested in Deaton, as this prior art is entirely unrelated to the health club services industry.

In view of the above, Applicant respectfully submits that all of the claims in the case are in condition for allowance. Such action is therefore respectfully requested at an early date. If the Examiner believes that issues remain for discussion, he is invited to contact the undersigned at the telephone number indicated below.

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